HOUSE BILL 82

By  Durham


AN ACT to amend Tennessee Code Annotated, Title 4 and Title 71, relative to medical assistance.


WHEREAS, this Act shall be called the "TennCare Fiscal Responsibility Act"; and

WHEREAS, it is entirely the province and duty of the Legislature to enact policy parameters for the program that comprises the largest percentage of the state budget; and

WHEREAS, while the current governor has demonstrated fiscal responsibility throughout his term of office, the policies of any future governor cannot be known at this time; and

WHEREAS, the federal Patient Protection and Affordable Care Act, also known as "ObamaCare," required states to expand Medicaid coverage to all individuals below 133% of the poverty level and punished states that chose not to expand enrollment with not only loss of the expansion funds but also loss of all pre-existing Medicaid funds; and

WHEREAS, the United States Supreme Court ruled in June 2012 in *National Federation of Independent Business v. Sebelius* that states have the right to opt out of Medicaid expansion without losing pre-existing federal Medicaid funding; and

WHEREAS, the federal government promised to fund Medicaid expansion up to 138% of the poverty level at a rate of 100% for the first three years, diminishing to only 90% in future years; and

WHEREAS, TennCare Director Darin Gordon estimated the 10% state contribution for Medicaid expansion would cost Tennessee taxpayers $200 million per year; and

WHEREAS, in 1981 Congress reduced its Medicaid funding match to help reduce the federal budget deficit, and Congress has changed many aspects of its Medicaid funding formula on numerous occasions since then; and

WHEREAS, with over $16 trillion dollars of debt, the federal government likely will be forced to break many promises of future funding and, with a 90% funding match, Medicaid expansion would serve as a likely place to begin reducing the federal budget deficit; and

WHEREAS, one prominent U.S. Senator has already proposed cutting the Medicaid hospital assessment fee match, which would cost the state an additional $450 million per year; and

WHEREAS, even without any future federal spending cuts and without Medicaid expansion, the health insurance mandate tax and inflation are already estimated to expand the TennCare rolls at a cost of $165 million per year, and TennCare is estimated to grow well beyond one-fourth of the state budget, thus reducing needed funds for education, transportation, and public safety; and

WHEREAS, former Governor Phil Bredesen worked diligently to control the costs of TennCare by cutting roughly 350,000 Tennesseans from the rolls and reducing TennCare spending from one-third of the state budget to below one-fourth; and

WHEREAS, the General Assembly does not desire to once again promise certain citizens TennCare coverage only to take it away a few years later; and

WHEREAS, unlike the federal government, Tennessee balances its budget every year; and

WHEREAS, it would be fiscally irresponsible to follow the encouragement of Congress and expand TennCare as envisioned under the federal Patient Protection and Affordable Care Act, also known as "ObamaCare"; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following as a new section:

**71-5-151**. Notwithstanding any provision of law to the contrary, the state shall not establish, facilitate, implement or participate in the expansion of the medical assistance program, also known as the Medicaid program, pursuant to Section 2001 of

Title II of the Patient Protection and Affordable Care Act, Public Law 111-148, as

amended.  The state is prohibited from amending the state plan or any federal waiver

under title XIX of the federal Social Security Act in order to effectuate any such

expansion of the Medicaid or TennCare program in this state.

SECTION 2.  This act shall take effect upon becoming a law, the public welfare requiring

it.

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